

## Message Text

CONFIDENTIAL

PAGE 01 CARACA 04675 232254Z

66

ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 EB-03 FEA-01 COME-00 NSC-07

NSCE-00 INT-01 CIEP-01 TRSE-00 INR-10 OMB-01 JUSE-00

SP-01 CIAE-00 DRC-01 RSC-01 /052 W

----- 018353

R 232108Z MAY 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3946

C O N F I D E N T I A L CARACAS 4675

LIMDIS

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: CONVERSATION WITH PRESIDENT OF CREOLE OIL CORPORATION  
RE VENEZUELAN NATIONALIZATION MEASURES

REF: (A) CARACAS 4603 (B) CARACAS 4456 (C) CARACAS 4528

(D) CARACAS 4420 (E) CARACAS 4538

1. I INVITED BOB DOLPH, PRESIDENT OF CREOLE, FOR LUNCH TODAY AND  
FIND THAT HIS ATTITUDE IS QUITE SIMILAR TO THAT EXPRESSED BY OTHER  
AMERICAN OIL COMPANY EXECUTIVES (CARACAS 4456 AND 4528), OF A  
CERTAIN FEELING OF RESIGNATION THAT THEIR LEGAL RIGHTS TO EXPLOITATION

OF CONCESSIONARY OIL WILL PRESENTLY EXPIRE BUT THAT THEY WILL STILL  
REMAIN (LUCRATIVELY) IN BUSINESS.

2. ON A VERY PERSONAL BASIS, DOLPH INDICATED THAT HIS COMPANY  
WAS IN PRIVATE CONTACT WITH MINISTER OF MINES AND HYDROCARBONS AND  
HIS SUBORDINATES; AND HE AGREED WITH ME THAT OUR COMPANIES HAVE  
AN OPPORTUNITY DURING THE NEXT SIX MONTHS TO REACH AGREEMENTS  
WITH THE VENEZUELAN GOVERNMENT WHICH WOULD SUBSEQUENTLY BE  
PUBLICLY RATIFIED BY THE PRESIDENTIAL COMMISSION APPOINTED, AS  
INDICATED IN CARACAS 4420. DOLPH CONCURRED WITH MY INFORMATION  
THAT THERE MIGHT BE AN INNER-INNER GROUP (I.E. PEREZ GUERRERO,  
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 CARACA 04675 232254Z

JULIO SOSA, JOSE MAYOBRE) WHO BEHIND THE SCENES WOULD GUIDE THE

DELIBERATIONS OF THE PUBLIC COMMITTEE.

3. AS DID THE EXECUTIVES OF GULF AND MOBIL, DOLPH CONFIRMED MY IMPRESSION THAT, ALTHOUGH THEY MIGHT LOSE THEIR CONCESSIONAL RIGHTS TO OIL IN THE GROUND, THEY WOULD CONTINUE TO FUNCTION IN PRODUCTION AND MARKETING.

4. I URGED MY FRIEND THAT SINCE (REF A) IT HAD BEEN INDICATED TO ME BY PEREZ GUERRERO THAT PRESIDENT CARLOS ANDRES PEREZ WISHED TO REACH AN AGREEMENT BEFORE THE END OF THIS YEAR, IT SEEMED OF GREAT IMPORTANCE THAT MOMENTUM BE SUSTAINED. THE PRESIDENT WANTED A STATEMENT BEFORE HIS JANUARY 1 ANNUAL ADDRESS AND IT WOULD PROBABLY, IN MY OPINION, BE TO THE INTERESTS OF THE COMPANIES NOT TO MAKE A "FIRE SALE" DEAL BUT TO COME TO RAPID AGREEMENT ON THE MAIN POINTS OF THEIR CONTINUING PRODUCTION IN VENEZUELA TO MUTUAL ADVANTAGE.

5. THE PRINCIPAL CHIEFS OF OUR OIL AND IRON COMPANIES IN VENEZUELA ARE IN AGREEMENT TO THIS APPROACH AND ALL AGREE WITH ME THAT STATEMENTS WHICH MIGHT BE MISCONSTRUED IN CARACAS IF ISSUED IN WASHINGTON PITTSBURGH OR NEW YORK COULD ENDANGER A DELICATE BUT SUCCESSFUL NEGOTIATION.

6. DOLPH CONCURRED WITH MY OPINION THAT THESE NEGOTIATIONS SHOULD BE FROM COMPANY TO GOVERNMENT. HOWEVER, HE DID EXPRESS APPRECIATION FOR MY SUGGESTION THAT THE COMPANIES UNDER OUR DEPARTMENT OF JUSTICE RULINGS MIGHT BE ABLE TO CONCERT TOGETHER (CARCAS 4538) HERE RATHER THAN TO BE PICKED OFF ONE BY ONE.  
MCCLINTOCK

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NATIONALIZATION, BUSINESS FIRMS, SUBSIDIARIES, PETROLEUM CONCESSIONS, NEGOTIATIONS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 MAY 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** garlanwa  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CARACA04675  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740129-1063  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740524/aaaaauxz.tel  
**Line Count:** 90  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** (A) CARACAS 4603 (B) CARACAS 4456 (C, ) CARACAS 4528  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** garlanwa  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 SEP 2002 by boyleja>; APPROVED <10 JAN 2003 by garlanwa>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONVERSATION WITH PRESIDENT OF CREOLE OIL CORPORATION RE VENEZUELAN NATIONALIZATION MEASURES  
**TAGS:** ENRG, EMIN, VE, US, CREOLE OIL CORP, (DOLPH, BOB)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005